

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

| | | |
|--|---|---------------------|
| Amendment to the Commission's |) | |
| Regulatory Policies Governing Domestic |) | IB Docket No. 95-41 |
| Fixed Satellites and Separate |) | |
| International Satellite Systems |) | |

RECEIVED
JUN 6 1995
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

COMMENTS OF GE AMERICAN COMMUNICATIONS, INC.

DOCKET FILE COPY ORIGINAL

Philip V. Otero
Alexander P. Humphrey
GE AMERICAN COMMUNICATIONS, INC.
1750 Old Meadow Road
McLean, VA 22102

June 8, 1995

No. of Copies rec'd 012
List A B C D E

TABLE OF CONTENTS

| | <u>Page</u> |
|--|--------------------|
| SUMMARY | i |
| INTRODUCTION | 1 |
| I. THE COMMISSION SHOULD MANAGE THE TRANSITION TO UNIFIED POLICIES FOR DOMESTIC AND SEPARATE SATELLITES, RATHER THAN MOVE THERE ON A “FLASH-CUT” BASIS. | 3 |
| A. The Transborder Policy is not the Primary Barrier to Domsat Provision of International Services. | 3 |
| B. The “Ancillary Use” Restriction on Separate Systems Should Sunset In Two Years. | 9 |
| II. THE COMMISSION SHOULD NOT ADDRESS OTHER SATELLITES IN THIS DOCKET. | 11 |
| A. Use of Intelsat and Inmarsat Capacity by Comsat | 12 |
| B. Use of Foreign Satellites | 13 |
| CONCLUSION | 15 |

SUMMARY

GE American Communications, Inc. (“GE Americom”) supports the Commission’s goal of eliminating regulatory distinctions between domestic and separate system satellites. However, the Commission should reconsider the suggestion in the Notice of Proposed Rulemaking that the Transborder Policy applicable to domsats and the “ancillary use” policy applicable to separate systems should be linked together and eliminated in lockstep on a flashcut basis. The Notice fails to recognize important distinctions between those policies, and particularly between the consequences of their elimination on competition.

The Notice suggests that elimination of the Transborder Policy is appropriate given changes that have occurred in the Intelsat coordination process since that policy was adopted. GE Americom agrees. The Transborder Policy imposes unnecessary costs and burdens that reduce the ability of domsats to serve customer needs.

But GE Americom does not agree that elimination of the Transborder Policy also requires lockstep elimination of the “ancillary use” restriction. GE Americom does not oppose a transition towards elimination of that restriction. But immediate flash cut action would not meet the Commission’s goal of advancing equal competition among all satellite operators. The Notice fails to appreciate that the Transborder Policy is not the main barrier to domsat provision of international services. The much larger barrier is the problem of obtaining nondiscriminatory “landing rights” in other countries. This is a matter outside the control of the Commission. Thus, elimination of the Transborder Policy still would leave domsats with difficult approvals still to be negotiated.

In contrast, the “ancillary use” restriction is the only barrier to immediate entry by separate systems into the domestic U.S. market. As a result, if the Commission immediately lifts that policy, separate systems would have a material advantage, particularly for “one-stop shopping” for satellite services that the Commission recognizes is an increasingly important market.

GE Americom proposes here a two year transition period, at the end of which the “ancillary use” restriction would sunset in the absence of a finding that domsats are being denied the opportunity to obtain landing rights in other nations equivalent to those enjoyed by separate systems. During this period the Commission could grant exceptions to the restriction on a case-by-case basis.

There is no need to maintain the Transborder Policy during this sunset period. It serves no purpose, and lifting the policy would not unfairly benefit domsats given their need to obtain agreements with foreign administrations. Nevertheless, if the Commission concludes that the Transborder and “ancillary use” policies should be eliminated in lockstep, then the Commission should sunset both policies at the end of two years. In this case, however, the Commission also should develop a more expedited process for handling transborder applications in the interim.

GE Americom submits that this transition plan best satisfies the Commission’s overall goal of enhancing competition -- a goal we support -- while recognizing that international service competition is not a matter solely within its control.

The Notice also asks for comments regarding the potential use of Intelsat capacity by Comsat for U.S. domestic service, and of non-U.S. satellites. GE Americom submits that

these issues raise complex questions going far beyond the appropriate scope of this proceeding, which is focused on regulation of U.S.-licensed satellites. Particularly given that these questions are not ripe, they should be deferred for another day.

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Amendment to the Commission's)
Regulatory Policies Governing Domestic)
Fixed Satellites and Separate)
International Satellite Systems)

IB Docket No. 95-41

RECEIVED

JUN 6 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

COMMENTS OF GE AMERICAN COMMUNICATIONS, INC.

GE American Communications, Inc. ("GE Americom") hereby responds to the Commission's Notice of Proposed Rulemaking in the above-referenced matter, FCC 95-146 (released Apr. 25, 1995) ("Notice").

INTRODUCTION

GE Americom is sympathetic to the general goal of eliminating distinctions between domestic and separate system satellites. We agree that eventually all geostationary satellites should be subject to the same service rules. However, we are concerned that the Notice underestimates the critical role of foreign governments and telecommunications administrations in facilitating the increased competition that the Commission hopes to encourage.

In particular, the Notice incorrectly links elimination of the Transborder Policy applicable to domsats with removal of the "ancillary use" policy for separate systems. The Notice suggests that these two policies should be eliminated together in one flashcut step to place satellite operators on equal footing. In fact, however, "lockstep" change of both policies together

is not appropriate. The two policies serve independent purposes, and the Commission should review the benefits and effects of deleting each policy independently of the other.

As discussed below, only the FCC's "ancillary use" policy bars separate systems from providing unlimited domestic service. In contrast, international service competition depends in large measure on actions of foreign administrations to grant all United States licensees equivalent opportunities to serve such points. Today that is not the case. Separate system satellites have advantages in landing rights and other areas that are not readily available to domestic satellite licensees. Domestic satellite operators will have to develop similar agreements, and do so in an environment where other countries do not always follow policies of reciprocity and nondiscrimination. This will not happen overnight. And elimination of the Transborder Policy, while useful, will not remove the principal barrier to domsat expansion into the international market.

As a result, "lockstep" elimination of Commission distinctions between domestic and separate systems would have a one-sided effect, at least in the short term. If those distinctions were removed today, separate systems could immediately move into the domestic market. In contrast, domestic satellite licensees generally could not expand in the international market without new approvals from other governments or telecommunications authorities.

The Commission must recognize this imbalance when it acts in this proceeding. This does not mean that the Commission should abandon the goals laid out in the Notice. But it should move carefully to manage the transition to a uniform treatment of domestic and separate system satellites, ensuring equivalent opportunities to compete on both sides. GE Americom proposes a plan here by which the service distinctions between satellites would "sunset" two years

after completion of this proceeding. We believe this plan fairly balances the interests of all parties, particularly given the Commission's ability to waive the rules on a case-by-case basis in the interim. ^{1/}

The Notice also raises the questions of whether Comsat should be permitted to provide U.S. domestic service using Intelsat capacity, and under what circumstances (if any) foreign satellites should be allowed entry into the U.S. market. GE Americom believes that both of those matters raise broad policy issues that should not be addressed within the context of this relatively narrow docket.

These subjects are discussed in more detail below.

I. THE COMMISSION SHOULD MANAGE THE TRANSITION TO UNIFIED POLICIES FOR DOMESTIC AND SEPARATE SATELLITES, RATHER THAN MOVE THERE ON A "FLASH-CUT" BASIS.

A. The Transborder Policy is not the Primary Barrier to Domsat Provision of International Services.

GE Americom supports the basic thrust of the Notice: to permit U.S. fixed satellites to serve any point within their footprint with a minimum of regulatory delay and burden. We agree that the Transborder Policy imposes unnecessary and costly limitations on the ability of domestic satellite operators to serve foreign points. We also agree that, in principle, there is no reason to restrict separate systems to the provision of domestic service only on an ancillary basis.

^{1/} As discussed further below, we believe that immediate elimination of the Transborder Policy is justified by recent Intelsat developments and would not prejudice separate systems. But if the Commission nevertheless links elimination of the Transborder and "ancillary use" policies, then it should continue both during the sunset period, while developing a more expedited process for handling transborder applications.

From GE Americom's perspective, the chief issue in this docket is one of timing -- when the domsat and separate system rules should be harmonized. The Notice seems to suggest that no reason exists to delay this action. Indeed, the Notice almost makes this docket seem procedural rather than substantive. The proposed rule revisions are treated as a matter of housekeeping to conform Commission policies to "globalization of communications needs" that nominally has already occurred. ^{2/} Similarly, the Commission notes that Intelsat does not distinguish among U.S. domestic and separate system satellites for purposes of Article XIV(d) coordination. ^{3/} In that sense the Commission seems to view its proposal as simply conforming to the treatment of U.S. satellites internationally.

In certain areas GE Americom agrees that "housekeeping-type" changes are in order. For example, we see no reason not to immediately harmonize the Part 25 financial and technical qualifications applicable to domsats and separate systems. See Notice at paras. 26-29. We also agree that all satellite operators should have full freedom to elect whether to provide service on a common carrier or non-common carrier basis. See id. at paras. 30-33. These are areas where unilateral action by the Commission can proceed without unfair competitive consequences.

In contrast, however, the Commission alone cannot unilaterally harmonize competitive market opportunities available to domsats and separate systems. It can increase domestic opportunities for separate systems much more rapidly and completely than it can increase international opportunities for domsats. Thus, on the one hand, the FCC's "ancillary

^{2/} See Notice at para. 17.

^{3/} See id. at para. 24.

use” restriction on domestic service by separate satellites is the sole regulatory barrier preventing those satellites from entering the domestic U.S. market. Once the Commission eliminates this restriction as proposed in the Notice, separate satellites will immediately be able to compete with domsats. And in particular, separate satellites will immediately be able to offer “one-stop shopping” for international and domestic services to multinational corporations, the primary user group identified by the Notice as benefiting from harmonization of the satellite service rules. ^{4/}

But the same is not true going the other way because the Transborder Policy is not the only, or even the main, regulatory restriction facing domsats who wish to compete in the international market. As a result, elimination of the Transborder Policy alone is not sufficient to create the full and fair competition that the Commission seeks. Cooperation from foreign governments and telecommunications administrations in granting “landing rights” also is critical.

This is not to say that elimination of the Transborder Policy is unimportant. That policy imposes significant costs and regulatory delays on domsat operators that interfere with our ability to participate in the international market. When we sell a transborder service that meets customer requirements and complies with substantive Intelsat coordination policies, we still must go through the transborder filing process itself in many cases. These steps are unnecessary and wasteful given the evolution that has occurred in the Article XIV(d) process since the Transborder Policy was established. We therefore fully agree that it is past time to eliminate that policy.

^{4/} See id. at para. 16.

But the Transborder Policy is not the primary barrier to provision of international service by domsats. Rather, the main hurdle we face is establishment of reasonable and nondiscriminatory operating agreements with telecommunications authorities in other countries.

The fundamental weakness of the Notice rests in its failure to appreciate the significance of this entry barrier to domsat licensees such as GE Americom. The Notice suggests that if the Transborder Policy is lifted domsats “would be relatively unfettered” in their provision of domestic and international services. 5/ This statement is incorrect. Contrary to the Commission’s understanding, GE Americom has had significant difficulty obtaining “landing rights” in foreign countries. This process has been slow, frustrating and often unsuccessful. For example, service to Mexico is of critical importance to our video service customers. Yet we have been stymied in our ability to achieve landing rights agreements with that country despite repeated efforts to do so.

A “chicken-and egg” situation also is present here. The Commission’s general policies limiting use of domestic satellite capacity for transborder service have discouraged customers from approaching domsats with international service business. But without customers in hand, the task of negotiating operating authority in other countries can be stymied, even with administrations otherwise inclined to be cooperative.

GE Americom recognizes that significant further efforts are required on our part to secure landing rights and compete in the globalized “one-stop shopping” environment posited by the Commission. We welcome that challenge. But the Commission must similarly recognize that domsats today are indeed “fettered” by the difficulties of obtaining operating agreements -- and

5/ Id. at para. 20.

that this is a problem that the Commission cannot solve simply by eliminating its own regulatory distinctions between domsats and separate systems as proposed here.

For that matter, the Commission also must recognize the need for pro-active steps to blunt discrimination against domsats by foreign telecommunications authorities. The separate system operators and their foreign investors may have affirmative incentives to use their influence with governments in other countries to prevent GE Americom and other domsats from obtaining reciprocal access to those markets. In the Effective Market Access proceeding the Commission has proposed measures to open foreign telecommunications markets to U.S. carriers. In that rulemaking the Commission proposes not to apply its foreign carrier restriction to participation in separate satellite systems. ^{6/} However, the Commission cannot ignore the relationship between foreign investment in the separate systems, and barriers to expansion into the international market by U.S.-owned domsats.

In short, domsats are significantly “fettered” with respect to their ability to provide international services in competition with the separate systems -- even apart from the Transborder Policy. We are fettered by the fact that regulatory restrictions on our service market have complicated our ability to begin the long and laborious road to obtaining landing rights in other countries. We therefore are starting this race several laps behind the separate systems. And we are fettered by our own lack of foreign investors and other foreign relationships that might ease the task of obtaining those rights. ^{7/} We leave for another day the question of whether such

^{6/} See Notice of Proposed Rulemaking, Market Entry and Regulation of Foreign-Affiliated Entities, IB Docket No. 95-22, FCC 95-53 (released Feb. 17, 1995) (“Effective Market Access Notice”).

^{7/} In that regard, we understand that the Commission’s proposal in the Notice to eliminate the possibility that we must act as common carriers would, for the first time, put domsats on the

foreign investment was necessary for the separate systems to achieve some of their operating agreements. If so, that would underscore the entry barriers we now face. But at the least, the Commission should recognize that our ability to achieve operating agreements on reciprocal and non-discriminatory terms to those of the separate systems is by no means certain in many countries.

The Notice also underestimates the speed with which the separate systems could take advantage of their operating agreements. The Notice posits that due to the respective orbital positions of domsats and separate systems, “these policy changes are not likely to result in full competition between in-orbit domestic and international systems in the near term.” ^{8/} This is incorrect. As a technical matter, competition to provide services to the Caribbean, Latin America and some parts of South America can occur today, including the “one-stop shopping” services contemplated by the Notice. Standing alone, simple elimination of Commission service restrictions would permit separate systems to compete immediately in both market segments. Domsats would not have a reciprocal opportunity except insofar as they achieve equivalent landing rights in other countries.

same footing as separate systems with respect to accepting foreign investment and engaging in partnering arrangements with foreign companies notwithstanding Section 310 of the Communications Act. To the extent that such relationships facilitate negotiation of operating agreements, we only now would be in the same position as separate systems, albeit several years behind in the negotiation process itself.

^{8/} Notice at para. 22.

B. The “Ancillary Use” Restriction on Separate Systems Should Sunset In Two Years.

Again, GE Americom supports the Notice’s general goal of increasing both domestic and international satellite competition. If the Commission were starting from scratch, it might not have differentiated between domsats and separate systems. We support phasing out service distinctions between satellites over a reasonable period provided that both domsats and separate systems are “relatively unfettered.”

However, a flash cut elimination of both the Transborder and “ancillary use” policies is not appropriate at this time. These two Commission policies are not of equivalent market significance, and they should not be viewed as inextricably linked to one another.

Instead, we suggest that the Commission adopt a two-year sunset for elimination of the “ancillary use” restriction on separate systems, during which period domsat operators will have an opportunity to seek landing rights in other countries in preparation for increased competition in the overall satellite market. Nine months before the expiration of the sunset period the Commission should conduct an expedited proceeding to review whether domsats have faced material discrimination in their attempts to obtain landing rights. In the absence of such a showing, the “ancillary use” restriction would expire. Alternatively, the Commission could narrow the restriction to bar separate systems from providing domestic service only where bundled with international services that a domsat operator cannot economically provide due to landing rights discrimination.

This approach would permit the Commission to achieve its goal of harmonizing treatment of all U.S. satellite operators without ignoring the fact that opportunities to serve

international markets are not directly within the Commission's control. It would give separate systems an incentive to encourage foreign administrations to provide non-discriminatory landing rights (rather than an incentive to block competitive entry). And it would give domsats the opportunity to test entry opportunities with the prospect that they will be allowed to use their capacity freely for this purpose without restriction from Commission policy.

Elimination of the Transborder Policy does not carry the same competitive concerns, and therefore could proceed now. As discussed above, that Policy imposes administrative costs that are unnecessary given liberalization of the Article XIV(d) coordination process in recent years. The Transborder Policy serves no independent purpose, and its elimination would not materially advantage domsats given the other barriers they face to the international market. Rather, this action is important to create an environment in which domsats can more readily pursue the second step of international market entry -- negotiation with foreign administrations. Those negotiations have a better chance of succeeding if the FCC already has done its part. For one thing, domsats may have more opportunity to identify customers to join them in the negotiation process once the Transborder Policy is lifted.

Nevertheless, and all that said, GE Americom emphasizes that it would prefer both the Transborder and "ancillary use" policies to remain in effect during the two year sunset period if the Commission concludes that these policies should be lifted in lockstep. We would rather continue to live with the Transborder Policy for a brief additional period (with all its costs) if that is the price for a fairer transition to full-service competition through the sunset mechanism we propose here.

The sunset approach does not freeze the status quo. During the sunset period the Commission could continue its case-by-case consideration of applications by separate systems to provide domestic service. In this way the Commission can accommodate expanded service markets under its general public interest standard. In particular, the Commission can monitor for situations in which an applicant would provide “one-stop shopping” for international and domestic services that other carriers cannot match due to landing rights discrimination.

Similarly, if the Commission chooses to defer elimination of the Transborder Policy, it should at least develop more expedited procedures for processing transborder STA and permanent service applications. In this way the Commission can minimize the burdens of that Policy even if concludes that it must maintain the policy until the “ancillary use” restriction sunsets.

GE Americom believes that the plan presented here fairly balances the competing interests of all U.S. satellite companies, and moves expeditiously toward the Commission’s competitive goals on a reasonable schedule. But in any event, the Commission must not adopt the “flash-cut” approach proposed in the Notice.

II. THE COMMISSION SHOULD NOT ADDRESS OTHER SATELLITES IN THIS DOCKET.

In the final subsection of the Notice the Commission raises a number of issues that go far beyond the regulation of domsats and separate systems. Under the heading of “other issues,” the Commission solicits comments on such matters as potential Comsat use of Intelsat or Inmarsat to provide domestic services, and non-U.S. satellite service to the U.S. domestic market.

As a general point, these matters raise complex policy questions that are unrelated to the Transborder Policy, the “ancillary use” restriction, or domsat/separate system policy distinctions generally. We do not believe that it makes administrative sense to take up such questions at this time, let alone in this docket. These issues are not ripe for Commission action. And in any event, consideration of them here would only bog down resolution of the other more straightforward proposals presented in this docket.

A. Use of Intelsat and Inmarsat Capacity by Comsat

Any consideration of authority for Comsat to use Intelsat or Inmarsat capacity within the United States would be premature at best. These bodies still remain quasi-governmental organizations, with certain privileges and immunities, and are controlled by foreign interests. Although Intelsat faces increased competition on some routes, it still retain markets where it has a complete or virtually complete monopoly. The rates produced in these markets give it the ability to cross-subsidize rates in competitive markets. The possibility that Comsat may offer such rates on Intelsat capacity is more real than speculative. For example, Comsat attempted to offer dramatically reduced rates based on what appeared to be cross-subsidized Intelsat rates several years ago in its abortive “Caribnet” proposal. ^{9/}

For these and other legitimate reasons, the Commission has prevented Intelsat from entering the domestic market except in limited instances, such as in providing service to offshore U.S. points that are not within the coverage area of a domestic satellite, ^{10/} or where a

^{9/} Communications Satellite Corp., 2 FCC Rcd 2420, tariff withdrawn, 2 FCC Rcd 2430 (1987).

^{10/} Communications Satellite Corp., 7 FCC Rcd 5720 (1992).

domestic leg is part of an international network. 11/ As long as Intelsat retains its present form, there is no reason to change the general restriction on domestic use of its capacity in this country.

The Commission may be anticipating policy changes in the event that Intelsat or Inmarsat are restructured. Having fulfilled their tasks of developing a global network, these bodies are looking for other opportunities where they can leverage their huge ratepayer-financed satellite systems into new markets in competition with commercial carriers. This prospect has led to calls for these bodies to restructure themselves, actions that Comsat has supported and are now under consideration. 12/

But at the least, the Commission should not delay the outcome of this proceeding until Intelsat and/or Inmarsat restructure their operations. The question of whether and under what conditions Comsat should be permitted to use international satellite facilities in the domestic market is not ripe and should not be addressed here 13/

B. Use of Foreign Satellites

The Notice also raises in a sentence the issue of whether foreign satellites should be allowed to provide service to, from or within the United States. This matter also is unripe. At this point it is unclear how much non-U.S., non-Intelsat capacity falls into this category. But more important, this issue raises broad questions concerning trade and competition issues that go

11/ E.g., Communications Satellite Corp., 8 FCC Rcd 1578 (1993).

12/ "Telecommunications Reports," at 13 (July 18, 1994)

13/ However, one of the proposals in the following section would require countries that uplink to Intelsat direct-to-home ("DTH") services grant reciprocity to U.S. companies to offer direct-to-home services in such countries.

far beyond the scope of the docket. Indeed, they would justify a separate notice of inquiry proceeding by themselves.

For present purposes, GE Americom emphasizes that -- at a minimum -- any use of a foreign satellite to serve U.S. customers, either for international or domestic service, should require a finding that the home market of both the foreign satellite and any uplink used in the service is already fully open to U.S. carriers so that they may provide similar services on an reciprocal basis. In the current Effective Market Access rulemaking the Commission has noted the danger that foreign carriers might take advantage of this country's open market policies while operating from closed markets themselves. The Commission has recognized that in these circumstances the foreign carrier has the ability to cross-subsidize competitive services from monopoly profits, discriminate in interconnection, and more generally exercise an unfair competitive advantage over U.S. firms. 14/

The same adverse consequences would result in the satellite market if non-U.S. satellites could provide service in this country, particularly if U.S. satellite operators did not have reciprocal access. Before the Commission could possibly sanction use of a foreign satellite to serve this country, therefore, it will have to develop policies to ensure such reciprocity pursuant to its earth station licensing authority under Part 25, or Section 214 of the Communications Act. 15/

14/ Effective Market Access Notice, paras 26-34.

15/ GE Americom would like to clarify that it does not in principle oppose foreign satellites participating in U.S. international markets that do not involve end-to-end transmissions but which depend upon a domestic satellite to provide the domestic segment, either on an originating or terminating basis. For example, for a foreign satellite to deliver a signal to a domestic satellite carrier, a gateway for distribution domestically that would give customers an important alternative to using Intelsat in transoceanic markets and would benefit the important U.S. industry of satellite

Again, GE Americom believes that this issue should be deferred to a separate proceeding in the future. No purpose would be served by complicating this review of regulatory rules applicable to U.S. satellites with the wholly-unrelated and more difficult question of use of non-U.S. satellites to compete with domsats and separate systems. 16/

CONCLUSION

GE Americom supports the Commission's general goal of eliminating distinctions between domestic and separate system satellites. However, for the reasons explained here, that process cannot occur on a flash cut basis. The Commission must take into account that, while it has the unilateral ability to allow separate systems into the U.S. domestic market, it does not have similar power to create competitive opportunities for domsats to serve foreign points. The sunset plan presented by GE Americom here balances the interests of all parties more fairly.

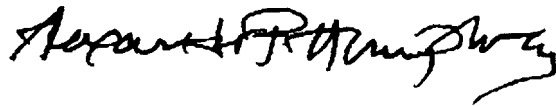
The Commission should defer to other future proceedings any consideration of entry standards governing the use of non-U.S. satellites and Intelsat or Inmarsat space segment in

communications. On the other hand, for an international satellite to transmit an international signal directly to a domestic location, or uplink international signals from such locations, would have an adverse impact on U.S. satellite carriers unless they were given reciprocal rights to provide identical end-to-end services between the United States and a destination in that satellite's home country.

16/ In that regard, GE Americom notes that similar questions are raised in Docket CC No. 93-23, where the Commission is reviewing Section 25.131(j) of the rules concerning use of receive-only earth stations in connection with foreign satellites and Intelsat. See Notice of Proposed Rulemaking, Amendment of Section 25.131 of the Commission's Rules to Eliminate the Licensing Requirement for Certain International Receive-only Earth Stations, 8 FCC Rcd 1720 (1993). Many commenters have urged the Commission to take into account whether the home country of a satellite seeking to exploit the DTH market in the United States has granted reciprocal rights to U.S. satellites. This approach would be consistent with the competitive concerns underlying the Effective Market Access proposals.

the domestic market. These matters are premature, and in any event raise complex policy questions far beyond the main issues here.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alexander P. Humphrey". The signature is fluid and cursive, with a long horizontal stroke at the end.

Philip V. Otero
Alexander P. Humphrey
GE AMERICAN COMMUNICATIONS, INC.
1750 Old Meadow Road
McLean, VA 22102

June 8, 1995